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EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

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MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 14th August 1962

S.O. 2599.—Whereas the scheme for the division of the assets and liabilities of the Bombay State Financial Corporation and its reconstruction set out in Annexure I hereto, having been approved by the Corporation at a general meeting by its resolution dated the 28th April, 1961, was submitted to the Central Government for sanction;

And whereas the modifications set out in Annexure II hereto, required by the Central Government to be made in the said scheme have been approved by the Corporation at a general meeting by its resolution dated the 27th July, 1962;

And whereas the Central Government has sanctioned the scheme with the modifications aforesaid;

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 70 of the Bombay Reorganisation Act, 1960 (11 of 1960), the Central Government hereby certifies the scheme so modified and specifies in accordance with clause 2 thereof that the following series of the 4½ per cent Bombay State Financial Corporation Bonds 1967 shall be allocated to the Gujarat State Financial Corporation, namely:—

| Sl. No. of Bonds | No. of scrips | Denomination | Value |
|---------------------|------------------|--------------|-----------|
| | | | Rs. |
| I—40 | 40 | 25,000 | 10,00,000 |
| 123—132 | 10 | 1,00,000 | 10,00,000 |
| 133—138 | 6 | 25,000 | 1,50,000 |
| 154—163 | 10 | 25,000 | 2,50,000 |
| 183—230 | 48 | 25,000 | 12,00,000 |
| 245—246 | 2 | 1,00,000 | 2,00,000 |
| 366—369 | 4 | 1,000 | 4,000 |
| 436—438 | 3 | 25,000 | 75,000 |
| 439—443 | 5 | 5,000 | 25,000 |
| 447 | 1 | 25,000 | 25,000 |
| | | | 39,29,000 |

ANNEXURE I

Scheme for the division of the assets and liabilities of the Bombay State Financial Corporation and for the reconstitution of the said Corporation to be named the "Maharashtra State Financial Corporation" in terms of the provisions of Section 70 of the Bombay Reorganisation Act, 1960.

Whereas it has become necessary in terms of the provisions of Section 70 of the Bombay Reorganisation Act, 1960, to frame a Scheme in respect of the existing Bombay State Financial Corporation, established under Sub-section (6) of Section 102 of the States Reorganisation Act, 1956 (hereinafter referred to as "the said Corporation") for reconstituting it as a Corporation for the State of Maharashtra and also to divide the assets and liabilities of the said Corporation as between the Gujarat State Financial Corporation which has already been established and the proposed Maharashtra State Financial Corporation to be constituted as hereinafter provided. Now the following shall be the scheme for the division of the assets and liabilities of the said Corporation and for reconstitution of the said Corporation.

Scheme for the division of the assets and liabilities

1. The date for the purpose of division of the assets and liabilities of the said Corporation shall be 30th April 1960. However, the Bombay State Financial Corporation shall continue to exist till the scheme is duly certified by the Central Government in terms of Section 70 of the said Act. A statement of assets and liabilities as on 30th April 1960 has been prepared by the auditors of the Bombay State Financial Corporation for the purpose of division of the assets and liabilities and is annexed and marked A. The said assets and liabilities shall be divided in accordance with this Scheme with such modifications as may be duly made by the Central Government in terms of Section 70 of the said Act and approved at a General meeting of the said Corporation.

2. The right to recover existing loans and advances (inclusive of debentures) of the said Corporation, as may be determined on the basis of the statement of accounts prepared as on 30th April 1960 and annexed (except those referred to in Annexure B hereto) shall vest in the Gujarat State Financial Corporation along with securities, if any, in respect thereof and the reconstituted Bombay State Financial Corporation proposed to be called the Maharashtra State Financial Corporation respectively as they may exist in the respective areas of Gujarat and Maharashtra. The right to recover the loans and advances which are referred to in Annexure B shall remain vested in the proposed Maharashtra State Financial Corporation notwithstanding their location. Correspondingly, out of the existing bonds issued by the said Corporation, liability in respect of the bonds of the value equivalent to the loans and advances (inclusive of Debentures) taken over by the Gujarat State Financial Corporation and the value of such other assets as mentioned hereinafter to be taken over by that Corporation shall be the liability of the Gujarat State Financial Corporation. The Central Government shall specify by reference to their distinctive numbers and other particulars the Bonds to be so allocated and upon such allocation the Bonds so specified shall be deemed to be the bonds issued by the Gujarat State Financial Corporation. The Bonds so transferred to the Gujarat State Financial Corporation shall stand guaranteed as to payment of interest, as already determined and repayment of principal by the Government of Gujarat while the balance of the Bonds to be retained by the proposed Maharashtra State Financial Corporation shall remain guaranteed as to payment of interest as already determined, and repayment of principal by the Government of Maharashtra. The balance of the liabilities and assets inclusive of all Reserves for bad debts and other reserves as may be determined after the necessary adjustments shall be the assets and liabilities of the proposed Maharashtra State Financial Corporation, which shall be deemed to be the continuing Corporation of the said Corporation for all purposes.

3. The existing liability of the said Corporation as on 30th April 1960 to repay the subvention granted to it (or to its predecessor institutions) from time to time by the State Government shall be divided equally between the Gujarat State Financial Corporation and the proposed Maharashtra State Financial Corporation.

4. Minor assets, office furniture, library, vehicles, telephones etc. already located in Gujarat shall be transferred to the Gujarat State Financial Corporation.

5. In order to strike the balance sheet in pursuance of the above proposals, adjustments shall be made in the quantum of Bonds which would be transferable to the Gujarat State Financial Corporation as provided in clause 2 above.

The division shall be made in such manner as may be agreed to by both the Corporations and in default of agreement as determined by the Central Government.

6. The Gujarat State Financial Corporation shall be entitled to and be paid the income accrued to or received in respect of the loans and advances to be transferred to it from 1st May 1960 after deducting therefrom the proportionate expenses found to be incurred by the said Corporation from 1st May 1960. The Gujarat State Financial Corporation shall also be liable to pay interest accrued due from 1st May 1960 on the bonds to be allocated to the Gujarat State Financial Corporation as provided hereinabove. In case of dispute regarding the quantum of expenses to be shared by the two Corporations as herein provided, the decision of the Central Government in this regard shall be binding on both the Gujarat State Financial Corporation and the proposed Maharashtra State Financial Corporation.

Scheme of reconstitution of the said corporation

7. Upon division of the assets and liabilities of the said Corporation and the adjustments of accounts as aforesaid, the said Corporation as established under Section 3 of the State Financial Corporations Act, 1951, shall be the State Financial Corporation for the State of Maharashtra and shall be called the 'Maharashtra State Financial Corporation'.

8. The Authorised, Issued, Subscribed and Paid up share capital of the Maharashtra State Financial Corporation shall be Rupees One Crore comprising of 100,000 shares of Rs. 100 each fully paid up which shall stand guaranteed by the Government of Maharashtra as provided under sub-section (1) of Section 6 of the State Financial Corporations Act, 1951 as to repayment of principal and payment of the minimum dividend at 3½ per cent per annum.

9. Out of the existing share capital of Rupees Two Crores of the said Corporation prior to reconstitution, which stands divided into 200,000 shares of Rs. 100 each fully paid up, 100,000 shares of Rs. 100 each fully paid up shall be deemed to be the share capital of the Maharashtra State Financial Corporation, whilst the balance of 100,000 shares of Rs. 100 each amounting to Rs. 1 crore shall stand converted into new Bonds of the Maharashtra State Financial Corporation of equivalent value.

The terms of the new issue have been fixed by the Government of Maharashtra on the recommendation of the Board of Directors of the said Corporation made in consultation with the Reserve Bank of India. The terms shall be as given in Annexure 'C' hereto. The Bonds issued and allocated in pursuance of the scheme will be governed in all matters by the Issue of Bonds Regulations 1957 of the Bombay State Financial Corporation as if they had been issued under Section 7 of the Act. The one lakh shares to be converted into Bonds shall consist of those held by individuals or institutions residing in or having their registered offices in the Gujarat State on the date the scheme is certified by the Central Government in terms of Section 70 of the said Act and such others as may be determined by the Board of the Maharashtra State Financial Corporation in the manner indicated in Annexure 'C'.

10. The first Board of Directors of the Maharashtra State Financial Corporation (after the change of name) shall be constituted as if it were the first Board of Directors of the Corporation, constituted under Section 10, of the State Financial Corporations Act, 1951.

The first Board so constituted shall consist of all the Directors who were holding office immediately prior to such constitution and shall be deemed to be the Directors elected or nominated on the first Board of Directors of the proposed Maharashtra State Financial Corporation by the respective shareholders whom they represented prior to such reconstitution excepting those Directors nominated by the State Government including the Managing Director. The Directors on the first Board so constituted including the Directors to be nominated by the Government of Maharashtra excepting the Managing Director to be appointed by such Government shall retire at the end of one year from the date of constitution of such Board.

11. The Head Office of the Maharashtra State Financial Corporation shall be located in Bombay and the existing branch at Nagpur of the said Corporation shall be deemed to be the branch of the Maharashtra State Financial Corporation

as from the date on which the Central Government certifies the scheme, in terms of Section 70 of the said Act. The existing branch of the said Corporation at Rajkot shall be deemed to have been closed as from 1st June 1960.

12. Out of the staff which was employed by the said Corporation prior to 1st June 1960, that staff as was transferred thereafter on deputation to the Gujarat State Financial Corporation shall be deemed to be the staff of the Gujarat State Financial Corporation as from the date on which the Central Government certifies the scheme in terms of Section 70 of the said Act while the staff at the Head Office of the said Corporation and its branch at Nagpur as on the said date, shall continue as the staff of the Maharashtra State Financial Corporation. The said staff with each Corporation shall enjoy the same emoluments and benefits which they enjoyed immediately prior to the date on which the Central Government certifies the Scheme until their respective terms of service are subsequently revised by the respective Gujarat State Financial Corporation and the Maharashtra State Financial Corporation. The said staff shall be offered continuity of service in the respective Corporations. The Gujarat State Financial Corporation shall be liable to pay every member of the staff transferred to it, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.

13. All the existing Regulations of the said Corporation such as the Bombay State Financial Corporation General Regulations, Bombay State Financial Corporation (Staff) Regulations, 1954, the Bombay State Financial Corporation Employees' Provident Fund Regulations, 1955, the Bombay State Financial Corporation (Expenditure) Regulations and such other Regulations as have been made under the State Financial Corporations Act for the said Corporation shall continue to be the respective Regulations for the Maharashtra State Financial Corporation.

14. This scheme shall come into effect as soon as it is certified by the Central Government in terms of the provisions of Section 70 of the Bombay Reorganisation Act, 1960, in this behalf.

15. As from the date on which the Central Government certifies the Scheme in terms of Section 70 of the said Act all the respective assets and liabilities (inclusive of Mortgages) which are transferred to the Gujarat State Financial Corporation and those which are continued with and remain vested in the Maharashtra State Financial Corporation shall stand statutorily transferred to and be vested in the respective Corporations without the necessity of executing any Deeds of Transfer or assignments.

A certificate signed by the Managing Director or the Secretary of the proposed Maharashtra State Financial Corporation that any particular assets or liabilities either stand transferred to the Gujarat State Financial Corporation or have been retained by the Maharashtra State Financial Corporation and specifying such assets and liabilities shall be conclusive evidence of such transfer or retention.

16. The reconstitution and change in name of the said Corporation into Maharashtra State Financial Corporation shall not affect any rights or obligations of the said Corporation or render defective any legal proceedings taken by or against it. And except in the case of all matters and claims transferred to the Gujarat State Financial Corporation all contracts, agreements and other instruments of whatever nature subsisting or having effect before the date of certification of the Scheme by the Central Government and to which the said Corporation is a party or which are in favour of the said Corporation, as the case be, shall be enforced or acted upon as fully and effectually as if the Maharashtra State Financial Corporation had been a party thereto or as if they had been entered into or issued in favour of the Maharashtra State Financial Corporation. And further if on the date of such certification any suit, appeal or any other proceeding of whatever nature is pending by or against the Bombay State Financial Corporation except any matter or claim transferred to the Gujarat State Financial Corporation then it shall not abate or be discontinued or be in any way prejudicially affected by the reason of this scheme, but the suit, appeal or other legal proceedings may be continued, prosecuted or enforced by or against the Maharashtra State Financial Corporation.

Mutatis Mutandis in respect of those matters and claims which stand transferred to the Gujarat State Financial Corporation such suits, appeals or other legal proceedings may be continued, prosecuted or enforced by or against the said Gujarat State Financial Corporation.

ANNEXURE "A" TO THE SCHEME OF RECONSTITUTION

STATEMENT OF ASSETS AND LIABILITIES OF THE BOMBAY STATE
FINANCIAL CORPORATION AS OF 30TH APRIL, 1960.

REPORT OF THE AUDITORS

To,

The Shareholders of the Bombay State Financial Corporation.

We the undersigned, Auditors of the Bombay State Financial Corporation, do hereby report to the Shareholders upon the Balance Sheet and Accounts of the Corporation as at 30th April 1960, specially prepared to give effect to the Scheme of Division of Assets and Liabilities of the Bombay State Financial Corporation in terms of the provisions of Section 70 of the Bombay Reorganisation Act, 1960.

We have examined the annexed Balance Sheet with the Accounts and Vouchers relating thereto and report that we have called for explanations and information. Such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing all necessary particulars and properly drawn up in accordance with the Act and the Regulations of the Corporation so as to exhibit a true and correct view of the state of affairs of the Corporation according to the best of our information and explanations given to us and as shown by the books of the Corporation. We have checked the Loan. Transactions with the Original Mortgage deed and with the copies of Mortgage Deed duly certified as true copies by the Corporation's Solicitors, in such cases where the Original Mortgage Deeds are stated to have been sent to the Registrar for registration, those original Mortgage Deeds will be duly examined when made available.

The agency agreement with the Government of Bombay still remains to be finalised.

Sd/- K. S. AIYAR & Co.,
Sd/- P. C. HANSOTIA & Co.,
Chartered Accountants.

Bombay, the 29th March, 1961.

BOMBAY STATE

Balance Sheet as

| CAPITAL & LIABILITIES | Rs. | Rs. |
|--|----------------|----------------|
| 1. CAPITAL : | | |
| AUTHORISED : | | |
| 4,00,000 shares of Rs. 100 each | .. | 4,00,00,000·00 |
| ISSUED : | | |
| 2,00,000 shares of Rs. 100 each | .. | 2,00,00,000·00 |
| SUBSCRIBED & PAID-UP : | | |
| [Guaranteed by State Govt. under Sec. 6(1) of the State Financial Corporations Act, 1951] | | |
| 2,00,000 shares of Rs. 100 each | 2,00,00,000·00 | |
| Less : Allotment money in arrears | .. | |
| Add : Forfeited shares | .. | 2,00,00,000·00 |
| 2. RESERVE FUND & OTHER RESERVES : | | |
| (i) RESERVE FUND : (Under Section 35) | | |
| Balance as per last B/S | 2,32,125·00 | |
| Add : Transfer from profit during this period | .. | 2,32,125·00 |
| (ii) RESERVE FOR BAD & DOUBTFUL DEBTS : | | |
| Balance as per last B/S | 2,83,500·00 | |
| Add : Provision made during the period | .. | |
| Less : Debts written off during the period | .. | 2,83,500·00 |
| (iii) INVESTMENT RESERVE : | | |
| Balance as per last B/S | 79,017·50 | 5,94,642·50 |
| 3. BONDS & DEBENTURES : | | |
| (Guaranteed by State Govt. under Sec. 7) | | |
| (i) 4½% Bonds redeemable in 1967 | 1,16,50,800·00 | |
| Less : Cancelled upto 31-3-1958 | 3,00,000·00 | |
| | 1,13,50,800·00 | |
| (ii) Debentures | .. | 1,13,50,800·00 |
| 4. FIXED DEPOSIT : (Under Sec. 8) | | |
| 5. BORROWINGS : | | .. |
| 6. GUARANTEES & UNDERWRITING AGREEMENTS : | | |
| (i) Guarantees under Sec. 25 (per contra) | | .. |
| (ii) Underwriting agreements under Sec. 25 (per contra) | | .. |
| 7. SUBVENTION PAID BY STATE GOVT. ON ACCOUNT OF DIVIDEND : (Sec. 6 read with Sec. 35) | | 23,31,285·42 |

FINANCIAL CORPORATION

At 30th April, 1960

| PROPERTY & ASSETS | Rs. | Rs. |
|---|--------------|----------------|
| 1. CASH & BANK BALANCES : | | |
| (a) Cash on hand | 1,224.99 | |
| (b) Balance with Banks [Under Sec. 33(2)] | .. | |
| (i) RESERVE BANK OF INDIA : | .. | |
| (ii) SCHEDULED BANKS : | | |
| (a) In Current Accounts | 3,64,421.12 | |
| (b) Call Deposits | 5,50,000.00 | |
| (c) Term Deposits | 97,46,000.00 | |
| | | 1,06,61,646.11 |
| 2. INVESTMENTS (Under Sec. 34) | | |
| (At cost) : | | |
| Securities (including Treasury Bills) of : | | |
| (a) Central Government | .. | |
| ** (b) State Government (Face value of Rs. 65,45,000/-) | | 65,36,560.19 |
| 3. LOANS & ADVANCES : | | |
| Total loans outstanding (as per schedule annexed) . | | 1,43,90,724.89 |
| 4. DEBENTURES SUBSCRIBED: | | 3,75,000.00 |
| 5. GUARANTEES & UNDERWRITING AGREEMENTS : | | |
| (i) Guarantee under Sec. 25 (per contra) | .. | .. |
| (ii) Underwriting Agreements (Under Sec. 25) | .. | .. |
| 6. DEBENTURES, SHARES ETC. ACQUIRED UNDER UNDERWRITING AGREEMENTS: [Under Section 25(1)(d)] | | |
| 7. PREMISES, LAND & BUILDINGS: | | |
| Cost upto the date of last B/S | .. | |
| Additions during the period | .. | |
| Less Sales | .. | |
| Less : Depreciation | .. | .. |
| 8. MOTOR CARS, CYCLES, FURNITURE & FIXTURES: (At cost) | | |
| Cost upto last B/C (At Cost) | 54,055.48 | |
| Additions during the period | .. | 54,055.48 |
| Less: Sales/Adjustments | .. | |
| " Depn. W/o upto last B/S | 12,120.48 | |
| " Depn. W/o during the period | 210.00 | 12,330.48 |
| | | 41,725.00 |
| 9. DIVIDEND DEFICIT ACCOUNT: | | 23,31,285.42 |
| 10. OTHER ASSETS: (At cost) : | | |
| (i) Telephone (Cost as per last B/S) | .. | 2,500.00 |
| Less: Depn. W/o. upto last B/S | 500.00 | |
| Less: Depn. W/o. during the period | 10.00 | 510.00 |
| | | 1,990.00 |

**Out of the aforesaid investments of Rs. 65,36,560.19, a sum of Rs. 12 lakhs represented by Govt. Securities of the face value of Rs. 12 lakhs earning interest at 4½% p.a. have been earmarked towards the purchase of Bonds for cancellation as and when considered desirable.

BOMBAY STATE

Balance Sheet As

| CAPITAL & LIABILITIES | Rs. | Rs. |
|---|--------------|-----------------------|
| 8. OTHER LIABILITIES: | | |
| (i) Unclaimed Dividend | 2,191·88 | |
| (ii) Unclaimed Interest on Bonds | 2,373·75 | |
| (iii) Advances received for incidental expenses | 24,934·54 | |
| (iv) Liabilities for Expenses | 7,205·20 | |
| (v) Interests Suspense | 1,79,824·43 | |
| (vi) Interest payable on bonds | 1,91,544·75 | |
| (vii) Staff Provident Fund (Vide Rs. 47,674·46 per contra) | 47,836·40 | |
| | | <u>4,55,910·95</u> |
| 9. PROVISION FOR TAXATION: | | |
| Balance as per last B/S | 3,82,370·58 | |
| Less: Advance tax paid under Sec. 18-A of the Income Tax Act. | 3,84,027·06 | |
| Less: Tax deducted at source | 1,24,582·50 | 5,08,609·56 |
| See Item No. 11 on Assets Side | 1,26,238·98 | |
| | | <u>3,40,770·10</u> |
| 10. PROFIT & LOSS ACCOUNT: | | |
| Balance as per last B/S | 2,72,114·57 | |
| Add: Profit as per P. & L. A/c. | 68,655·53 | |
| | | <u>3,40,770·10</u> |
| | TOTAL | <u>3,50,73,408·97</u> |

NOTE: The previous year's figures are not stated as the period covered by the Accounts is only for one month of April, 1960.

As per Report of even date.

K. S. AIYAR & Co.,

P. C. HANSOTIA & Co.,
Chartered Accountants,

Bombay: 29th March, 1961.

FINANCIAL CORPORATION

At 30th April, 1960

| PROPERTY & ASSETS | Rs. | Rs. |
|--|-------------|----------------|
| (ii) Library books: | | |
| Cost as per last B/S | 1,119·92 | |
| Additions during the period | .. | |
| | 1,119·92 | |
| Less: Depn. W/o during the period | .. | |
| | 1,119·92 | |
| Less: Depn. W/o upto last B/S | 247·92 | |
| Less: Depn. W/o during the period 4·00 | 251·92 | |
| | | 868·00 |
| (iii) Interest Accrued on : | | |
| Loans & Advances | 2,79,265·10 | |
| Investments | 75,099·40 | |
| Debentures | 7,500·00 | |
| Deposits | 44,853·43 | |
| | | 4,06,717·93 |
| (iv) Advances to Borrowers for Expenses | .. | 10,987·50 |
| (v) Discount on issue of Bonds | 1,74,762·00 | |
| Less: W/off | 57,484·00 | |
| | | 1,17,278·00 |
| (vi) Deposit for Telegrams | .. | 200·00 |
| (vii) Deposit for rent | .. | 705·00 |
| (viii) Staff Advance | .. | 1,263·33 |
| (ix) Commission & Expenses accrued on Loans (Agency) | .. | 22,544·16 |
| (x) Staff Provident Fund (Vide Rs. 47,836·40 per contra) | | ₹ 41,674·46 |
| II. PROVISION FOR TAXATION: | | 6,10,228·38 |
| (See item 9 Liability side) | .. | 1,26,238·98 |
| 12. PROFIT & LOSS ACCOUNT: | .. | |
| | TOTAL | 3,50,73,408·97 |

PURUSHOTTAM KANJI, Chairman.

D. V. POTDAR,

PRAVINCHANDRA V. GANDHI,

G. G. THAKKAR,

P. H. BHUTTA,

M. R. MANDLEKAR

K. C. MITTRA

R. M. DESHMUKH,

V. P. PANDIT

} Directors

R. S. POCHKHANAWALA,

Managing Director.

S. C. PATEL,

Accountant.

BOMBAY STATE

Profit and Loss Account for the

| EXPENDITURE | Rs. | Rs. |
|--|-----------|------------|
| To Interest on Deposits, Bonds & Debentures & Borrowings | | 42,565.50 |
| SALARIES & ALLOWANCES : | | |
| (a) Managing Director | 1,600.00 | |
| (b) Others | 11,962.49 | 13,562.49 |
| TRAVELLING & OTHER ALLOWANCES : | | |
| (a) Managing Director | 30.75 | |
| (b) Others | 353.97 | 884.72 |
| Director's & Committee Members' Fees | | 650.00 |
| Director's & Committee Members' Travelling & Other Allowances | | 299.75 |
| CONTRIBUTION TO STAFF PROVIDENT FUND: | | |
| (a) Managing Director | 100.00 | |
| (b) Others | 402.07 | 502.07 |
| Rent, Taxes, Insurance, Lighting etc. | | 1,211.54 |
| Postage, Telegrams, Stamps & Telephones | | 609.01 |
| Printing & Stationery | | 23.37 |
| Publicity & Advertisement | | .. |
| Repair & Renewals | | .. |
| Bank Charges & Commission | | 472.95 |
| Audit Charges | | 1,500.00 |
| Law Charges | | .. |
| Depreciation | | 224.00 |
| Discount written off on Bonds & Debentures | | 1,456.00 |
| Brokerage on Bonds & Debentures | | .. |
| Other Expenses | | 236.89 |
| Provision for Bad & Doubtful Debts | | .. |
| Loss on sale of Investments | | .. |
| Reserve Fund | | .. |
| LOSS ON SALE OF OR DEALING WITH OTHER ASSETS: | | |
| (i) Loss on sale of acquired assets | | |
| (ii) Loss on sale of other assets | | |
| Provision for Taxation | | .. |
| Balance of Net profit subject to taxation, provision for doubtful debts and allocations to Reserves carried to Balance Sheet | | 68,655.53 |
| Total Rs. | | 1,32,853.1 |

As per Report of even date.

Bombay: 29th March, 1961.

K. S. AIYAR & Co.,
P. C. HANSOTIA & Co.,
Chartered Accountants.

FINANCIAL CORPORATION

period from 1-4-1960 to 30-4-1960

| Income | Rs. | Rs. |
|--|-----------|--------------------|
| By Interest : | | |
| (i) On Loans & Advances | 70,928·93 | |
| (ii) On Debentures | 1,875·00 | |
| (iii) On Investments & Deposits | 55,250·48 | |
| | | <u>1,28,054·41</u> |
| Commission on Agency Business | | 3,966·08 |
| Rent | | |
| Profit on Sale of Investments | | |
| Profit from Sale or dealing with other assets: | | |
| (i) Profit from sale of acquired assets | | |
| (ii) Profit from sale of other assets | .. | .. |
| Other income : | | |
| (i) From Government for Agency Administration Expenses | 833·33 | |
| (ii) Miscellaneous Income | .. | 833·33; |
| | | <u>833·33;</u> |
| Balance of loss carried to Balance Sheet | | .. |

Total Rs.

1,32,853·82

Note.—The previous year's figures are not stated as the period covered by the Accounts is only for one month of April, 1960.

BOMBAY STATE FINANCIAL CORPORATION

Schedule showing particulars in respect of Loans and Advances referred to in the Balance Sheet as at 30th April, 1960.

I. Particulars of Loans & Advances:

| | Rs. |
|--|-----------------------|
| (a) Debts considered good in respect of which the Corporation is fully secured (out of this loans amounting to Rs. 1,41,52,290.43 are also secured by personal guarantees) | 1,39,52,290.43 |
| (a-1) Debts considered good in respect of which the Corporation is having second mortgage and guarantee of the Central Government. | 2,00,000.00 |
| (b) Debts previously fully secured but not secured to the extent of | .. |
| (b-1) Loans unsecured, doubtful since under dispute | 2,38,434.46 |
| | <u>1,43,90,724.89</u> |
| (c) Debts due by concerns in which one or more Directors of the Corporation are interested as directors, partners, shareholders, proprietors or managing agents or in the case of private companies as members | 50,000.00 |
| (d) Total amount of loans disbursed during the period to concern in which one or more directors of the Corporation are interested as directors, partners, shareholders, proprietors, or managing agents or in the case of private companies as members | .. |
| (e) (i) Total amount of instalments whether of principal or interest of which default was made at any time during the period. | 23,673.46 |
| (ii) Total amount of instalments whether of principal or interest overdue at the end of the period | 4,53,353.43 |
| (iii) Total amount of instalments whether of principal or interest overdue by concerns in which the directors of the Corporation are interested | .. |
| (f) Debts guaranteed by the State and Central Government, Scheduled Banks or State Co-operative Banks | 3,96,500.00 |
| (g) Debts due from loanee concerns whose management has been taken over by the Corporation | 2,38,434.46 |
| (h) Debts considered Bad or Doubtful | 2,38,434.46 |
| | <u>14,00,395.81</u> |

Classification of Loans and Advances According to the size of the Industrial Units:

| | |
|---|-----------------------|
| (i) Debts due from concerns with assets exceeding Rs. 20 lakhs (large-scale industries) | 16,30,000.00 |
| (ii) Debts due from concerns with assets of Rs. 5 lakhs or more, but not exceeding Rs. 20 lakhs (Medium sized industries) | 80,79,995.00 |
| (iii) Debts due from concerns with assets of less than Rs. 5 lakhs and employing less than 50 workers per shift if working with power or less than 100 workers per shift if working without power (Small-scale Industries)* | 44,42,295.43 |
| (iv) Debts unsecured | 2,38,434.46 |
| TOTAL | <u>1,43,90,724.89</u> |

(For the purpose of above classification, assets may be taken to mean those which are used for working the industry).

*The definition in so far as it relates to the number of workers employed may be relaxed in cases where there is difficulty in adopting it rigidly.

III. Classification of Loans & Advances According to the Constitution of Industrial Units:

| | Rs. | |
|---|--------------|----------------|
| (a) Proprietary | 11,93,821.00 | |
| (b) Partnership | 31,91,460.00 | |
| (c) Hindu Undivided Family | .. | |
| (d) Co-operatives | 2,10,000.00 | |
| (e) Private Limited Companies | 52,11,637.89 | |
| (f) Public Limited Company | 45,83,806.00 | 1,43,90,724.89 |

Statement of Grants of Loans for the period 30th April, 1960 under the State Aid to Small Scale and Cottage Industries Rules, 1935, Through the Bombay State Financial Corporation.

| Receipts | Rs. | Payments | Rs. |
|-------------------------|---------------------|-------------------------------|---------------------|
| From State Government . | 10,50,500.00 | Loans disbursed | 6,93,500.00 |
| | | Balance in Bank Current A/c . | 3,57,000.00 |
| | <u>10,50,500.00</u> | | <u>10,50,500.00</u> |

ANNEXURE 'B' TO THE SCHEME OF RECONSTITUTION

Statement showing the list of concerns to be transferred to the proposed Maharashtra State Financial Corporation notwithstanding its location in Gujarat.

| Name of concern | Location |
|-------------------------------------|------------------|
| Bharat Electrical Mfg. Co. Pr. Ltd. | Sihor (Gujarat). |

ANNEXURE 'C' TO THE SCHEME OF RECONSTITUTION

The scheme of conversion of 100,000 shares of the Bombay State Financial Corporation into Bonds and terms thereof.

The following shall be the terms on which 100,000 shares of the Bombay State Financial Corporation shall be converted into a new series of Bonds of the Maharashtra State Financial Corporation in terms of clause 9 of the Scheme of Reconstitution.

1. 100,000 shares of Rs. 100/- each of the Bombay State Financial Corporation of the face value of Rs. 1 Crore shall stand converted at par into bonds of the Maharashtra State Financial Corporation of the equivalent face value of Rs. 1 crore.
2. The new series of Bonds shall be called the Maharashtra State Financial Corporation Bonds, 1971.
3. The said new issue of Bonds shall be repayable at par at the end of a period of 10 years from the date of issue.
4. The new bonds shall carry a rate of interest of 4½% per annum subject to deduction of income-tax.
5. The said Bonds shall be guaranteed by the Government of Maharashtra as to repayment of principal and payment of interest at the aforesaid rate of 4½% p.a.

6. The Bonds shall be issued in multiples of Rs. 100, Rs. 500, Rs. 1000, Rs. 5000, Rs. 10,000, Rs. 25,000, Rs. 50,000, and Rs. 1 lakh.

The following shall be the manner in which the one lakh shares of the existing Bombay State Financial Corporation are to be converted into Bonds of the Maharashtra State Financial Corporation.

(i) All the shares held by individuals or institutions residing in or having their registered offices in the Gujarat State as on the date of this scheme being certified by the Central Government in terms of Section 70 of the Bombay Reorganisation Act 1960 shall be converted into Bonds of equivalent face value.

(ii) In respect of the shares held by persons or institutions residing or having their registered offices outside Gujarat as on the aforesaid date, four out of every ten shares held or in the proportion as near thereto as possible, shall be converted into bonds provided however that the balance of shares left unconverted in the hands of such shareholders shall be five or multiples of five. However, those persons holding only 5 shares shall have the option of converting them into Bonds of equivalent face value.

(iii) Any adjustments necessary for completing the scheme of conversion shall be made out of the shareholding of the Maharashtra Government.

ANNEXURE II

No. F. 6(12)-Corp/60

Government of India
Ministry of Finance

Department of Economic Affairs,
New Delhi, the 28th June, 1962.

7th Asadha, 1884 (S).

From

Shri M. K. Venkatachalam,
Deputy Secretary to the Government of India,

To

The Managing Director,
Bombay State Financial Corporation,
United India Building, 1st Floor,
Sir Pherozezshah Mehta Road, Fort,
BOMBAY.

Subject:—Scheme of Reconstitution of the Bombay State Financial Corporation
Sir,

I am directed to refer to the scheme of the division of the assets and liabilities of the Bombay State Financial Corporation and for the reconstitution of the said Corporation to be named "Maharashtra State Financial Corporation" submitted to the Central Government for its sanction in pursuance of the provisions of Section 70 of the Bombay Reorganisation Act, 1960 and to state that under Sub-section (4) of the said section the Central Government hereby directs that the following modifications be carried out in the said scheme:—

1. The existing liability of the Bombay State Financial Corporation as on the 30th April, 1960 to repay the subvention granted to it (or to its predecessor institutions) from time to time by the State Government shall be divided between the Gujarat State Financial Corporation and the proposed Maharashtra State Financial Corporation in the ratio of the population of the two States respectively *viz.*, 33.69:66.31.
2. A sum of Rs. 35,994.08 nP. available in the Reserve for Bad and Doubtful Debts after writing off the bad and doubtful debts in respect of the Bharat Electrical Mfg. Co. (Private) Limited shall be allocated in the ratio of loans and advances taken over by the two Corporations provided however, that the recoveries, if any, on account of the loan to the Bharat Electrical Mfg. Co. Limited are also divided in the same ratio after deducting expenses.

3. The date of the division of the assets and liabilities of the Bombay State Financial Corporation between the two Corporations pursuant to the first part of the Scheme shall be the 30th April, 1960 and the date for reconstitution of the capital of the Bombay State Financial Corporation pursuant to the second part of the scheme shall be the 1st April, 1961 provided further that the subvention liability on the share capital of the Bombay State Financial Corporation from the 1st May, 1960 shall be borne by that Corporation.

After these modifications are approved at a general meeting of the Corporation, the modified scheme will be certified by the Central Government in terms of Section 70(4) of the Bombay Reorganisation Act, 1960.

Yours faithfully

(Sd.) M. K. VENKATACHALAM,
Dy. Secy. to the Government of India.

[No. F.6(12)-Corp/60.]

M. R. YARDI, Jt. Secy.